2000 Annual Report

Helping Nova Scotians Help the Environment

Resource Recovery Fund Board Inc.

Mission Statement

Back row (from left): Brenda Gordon, Heather Robichaud, Sherry Roberts, Laurie Clarke, Brenda Carrigan, Wendy Deuville, Ann Fiddes. Front row: Derek Firth, Elizabeth Canning, Adrian White, Lauren Yeomans, Jerome Paris.

Our Mission

The Resource Recovery Fund Board is in business to be a commercially viable company providing responsible management for Nova Scotia's Solid Waste-Resource Management Strategy. Paramount will be our initiatives to protect the long-term environmental and economic good of Nova Scotia.

Our Mandates

- Fund municipal or regional diversion programs
- Develop and operate a Deposit/Refund System for Beverage Containers
- Develop and implement voluntary industry stewardship programs
- Develop education and awareness of source reduction, reuse, recycling and composting
- Promote the development of value-added manufacturing in the province

100-06875/

Four years ago, the province of Nova Scotia embarked on a forward-thinking new program to help Nova Scotians reduce the amount of solid waste they were sending for disposal. To meet this goal, the Resource Recovery Fund Board Inc. (RRFB) was incorporated as a private, not-for-profit company through the Environment Act.

Fiscal 2000 was a pivotal year. As Nova Scotians ushered in a new millennium, it was a time to reflect on how far we have come and what lies ahead. One of those challenges, quite clearly, is ensuring a healthy, clean environment for all Nova Scotians now and in the future.

When the RRFB was established in 1996, we were charged with helping Nova Scotians increase their waste diversion to 50% by the year 2000. I'm proud to say Nova Scotians have risen to the challenge. More than 637,000 tonnes of solid waste is generated each year in this province. Now, almost half of this is being reduced, reused, recycled and composted.

It is our responsibility to manage several components of the province's Solid Waste-Resource Management Strategy. As a business, we continually research ways to reduce the costs of collecting and recycling materials. We also seek to generate revenue that can be given back to municipalities to assist with their waste management programs. This year, net revenues available for solid waste diversion initiatives throughout our province exceeded $9.3 million, a significant increase over last year.

The growth in net revenues over last year is due to several factors, including the amalgamation of the Nova Scotia Liquor Commission Beverage Container Deposit/Refund Program, reduced operating costs and growth in the volume of beverage containers sold.

We also helped Nova Scotians:

- Achieve 47% waste diversion.
- Recycle more than 832,000 tires through the Used Tire Management Program.
- Swap 18,000 litres of paint for reuse by home owners and apartment dwellers in communities across the province.
- Recycle nearly 80% of applicable beverage containers sold in the province.

This year, for example, we worked with a major grocery chain to educate shoppers about the importance—and the benefits—of the three Rs and composting. Our education partners were also busy spreading the good word to schools, businesses, communities and consumers.

Industry stewardship took a step forward with the signing of a voluntary agreement between the dairy industry, the Nova Scotia Department of Environment and Nova Scotia's municipalities. The Resource Recovery Fund Board is continuing discussions with the newspaper, waste paint, quick service food packaging, household hazardous waste and derelict vehicle industries.

Since 1996, $25 million has been generated for municipal diversion programs and value-added manufacturing. In the process, we helped to create more than 600 jobs, strengthen the manufacturing sector, diversify the economy and help the environment. None of this would be possible without the enthusiasm of Nova Scotians and the support of a wide range of partners.

As we close out a millennium, we can look back over the last four years with a sense of satisfaction. We are quickly approaching our 50% goal for solid waste diversion. Now, as we enter a new era, we are readying ourselves for the challenges that lie ahead. I have full confidence that Nova Scotians will meet those challenges.

On behalf of the RRFB, I want to thank the municipalities and regions for their continued support, the Nova Scotia Department of Environment for its vision, our employees and the people of this province for their willingness to embrace environmental initiatives.

A White

Adrian White, P. Eng.
Chief Operating Officer

Annual Action Plan

Our Goals and Objectives

In accordance with Section 10.00 of the Agreement between the Minister of Environment and the RRFB, the Minister approved an Annual Action Plan for the fiscal year ended March 31, 2000.

The Plan projected net revenues of $7.9 million on total revenues of $27.2 million. Priorities were established for 1999/00 in accordance with the five mandates of the RRFB, namely:

Fund municipal or regional diversion programs

- Enhance net revenues available for distribution by expanding the revenue base, achieving operational efficiencies and obtaining relief from HST on the deposit/refund program.

Pay a minimum of 50¢ of net revenues to municipalities through diversion credits

- Provide additional assistance for municipal waste diversion and education programs through approved program funding.

Develop and operate a Deposit-Refund System for Beverage Containers

- Improve the efficiency of the quality control function through the development of statistical sampling techniques for the selection of bulk containers to be audited.

Develop and implement voluntary industry stewardship programs

- Seek industry participation in voluntary stewardship programs that include either direct financial or indirect, "in-kind" contributions.

Develop education and awareness of source reduction, reuse, recycling and composting

- Build relationships with the industrial, commercial and institutional sectors by directing more resources to help businesses comply with the province's Solid Waste-Resource Management Strategy.

- Create messaging that raises awareness of composting to support municipalities in the development and continuation of their composting programs.

- Continue a provincial mass media campaign that complements regional initiatives with key province-wide messages to promote the goals and objectives of the Solid Waste-Resource Management Strategy.

- Continue to develop the RRFB web site as a key resource for information on solid-waste management.

Promote the development of value-added manufacturing in the province

- Provide funding to local companies and entrepreneurs with innovative ideas for turning solid waste into jobs and economic opportunities in Nova Scotia.

Valuable Deposits

Enviro Depots®
(in vi´ ro · dee´ pos) n.

Centres throughout Nova Scotia where 100% of consumers can take their used beverage containers for a refund—and offer the environment a helping hand.

Four years ago, Nova Scotia's first Deposit/Refund Program for Beverage Containers was put in place. Today, more than 90 privately run Enviro-Depots® are in operation throughout the province. Here, Nova Scotians can return alcoholic and non-alcoholic beverage containers. To ensure consistency and efficiency, the RRFB maintains quality control operations at four Regional Processing Centres where containers collected from Enviro-Depots® are prepared for shipment to market.

Here's how the deposit/refund program works. Consumers pay a 10¢ deposit on each non-liquor container they buy, as well as on liquor beverage containers under 500 ml. A 5¢ refund is then given for each container that is brought back to an Enviro-Depot®. Liquor containers over 500 ml are subject to a 20¢ deposit and a 10¢ return. Enviro-Depots®, which also accept materials such as residential corrugated cardboard, newsprint and lead-acid automobile batteries, provide all Nova Scotians with the opportunity to recycle.

Our thanks to all those Nova Scotians who have embraced the deposit/refund program wholeheartedly, like Halifax resident Jeremy Jones. Recycling has helped Jeremy cut the garbage he sends to the local landfill in half. On average, Jeremy now fills only one garbage bag a week, sometimes less. He's not alone in his commitment to recycling. The enthusiasm and support of Nova Scotians for recycling has resulted in an almost 80% return rate on beverage containers in less than four years.

This is just the beginning. In fiscal 2000:

- Nova Scotians consumed approximately 267 million beverages.
- Nova Scotians recycled approximately 212 million beverage containers.
- The return rate on beverages sold in the province was nearly 80%.

Since the program began on April 1, 1996, more than 678 million beverage containers have been recycled.

Waste Not

Historically, Nova Scotia has been a resource-based economy. We have relied on fishing, mining and forestry as mainstays of our economy and our culture. Now we are looking to our newest resource, solid waste, to create economic growth and employment opportunities.

For instance, pop bottles are made into t-shirts, carpet fibre and packaging. Newsprint can be recycled into insulation and kitty litter. Tires can be made into base material for sports fields, animal mats and rubber products for the automotive industry. Materials such as steel, glass and aluminium that are returned to their original form are good examples of closed-loop recycling.

Solid waste can be transformed not only into jobs, but many recycled products. The possibilities are endless.

Solid waste
(sol' id · wast') n.

Non-fluid material thought of at one time as trash. Now recognized as a benefit to the economy and its diversion a benefit to the environment.

No Dumping

These materials can no longer be thrown out with the trash. They must be either recycled, composted or disposed of at a special site:

Beverage Containers
Corrugated Cardboard
Newsprint
Automotive Batteries
Leaf and Yard Waste
Used Tires
Waste Paint/Antifreeze
Steel/Tin Food Containers
Glass Food Containers
HDPE Non-Hazardous Plastic Containers
LDPE Plastic Pallet Wrap
Compostable Organics

Susan Helliwell and Jennifer Corson, Renovators Resource

When the Rubber Meets the Road

Shredded tires
(shred′ ed · ti′ ers) n.

What appears to be old, used rubber is actually a valuable component in many products and a boon to the environment.

For the past three years, we have been recycling used tires. Today, under the Used Tire Management Program, all used tires that are left with registered retailers—there are 900 throughout Nova Scotia—are diverted from disposal and recycled.

When new tires are purchased in Nova Scotia, a $3 environmental fee per car tire and $9 per truck tire over 17 inches is charged to cover the costs of collecting, processing and manufacturing used tires into value-added rubber products for resale. Each year, Nova Scotians generate approximately one million used tires for disposal.

In July 1999, Nova Tire Recyclers (NTR) was forced to shut down due to a fire. Subsequently, tires were re-routed to other markets for recycling.

Late in the year, NTR resumed operations producing tire chips for civil engineering applications. Tire chips from close to half a million old tires were used to create road base for innovative projects in Port Hawkesbury and Digby County. The tires act as an insulator to reduce damage caused by frost.

Funds from the Used Tire Management Program were designated for the clean up of old tire stockpiles throughout the province. And clean up we did: 125,000 stockpiled tires were collected in fiscal 2000. This brings the total number of tires cleaned up since 1998 to 225,000!

Did you know that:

- More than 2.3 million tires have been collected from over 900 registered tire retailers since the introduction of the Used Tire Management Program in January 1997.
- The equivalent of more than 225,000 tires have been recovered and recycled from old tire stockpiles since 1998.
- New jobs have been created in Nova Scotia as a result of the tire-recycling initiative.

Stamp of Approval

Value Added
(val´ yoo · ad´ ed) adj.

Taking a product or service and enhancing it for the benefit of all Nova Scotians and their environment.

Fiscal 2000 marked another prosperous year in the development of value-added manufacturing in the province. The backbone of this initiative is our Approved Program Funding.

A total of $500,000 was awarded to 12 private-sector projects, including:

- A glass-recycling project in Amherst that will divert 1000 tonnes of waste window glass a year and transform it into sparkling glassware. In the process, seven jobs will be created.
- A paint-recycling project that will see over 60,000 containers—a year—of post-consumer or waste paint recycled and sold at either wholesale or retail. The project will create 11 jobs.
- A vermicomposting demonstration project—which uses worms to facilitate the composting process—for Cape Breton that will assess the commercial viability of vermicomposting at inputs of 10 tonnes a day or less. The project will create two jobs.

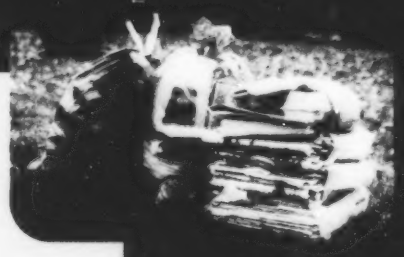
Better Business

Stewardship
(stoo´ ard ship) n.

The process of working together with industry to manage programs and processes that will benefit all Nova Scotians and their environment.

Fiscal 2000 was a busy—and productive—year for us with respect to industry stewardship. To assist with industry negotiations, a study was commissioned, in partnership with municipalities across the province, to determine the costs of collecting materials through curbside recycling programs.

We also continued to have active discussions about stewardship with industry groups including those involved with newsprint, waste paint, derelict vehicles, retail packaging, quick service food packaging and household hazardous waste.



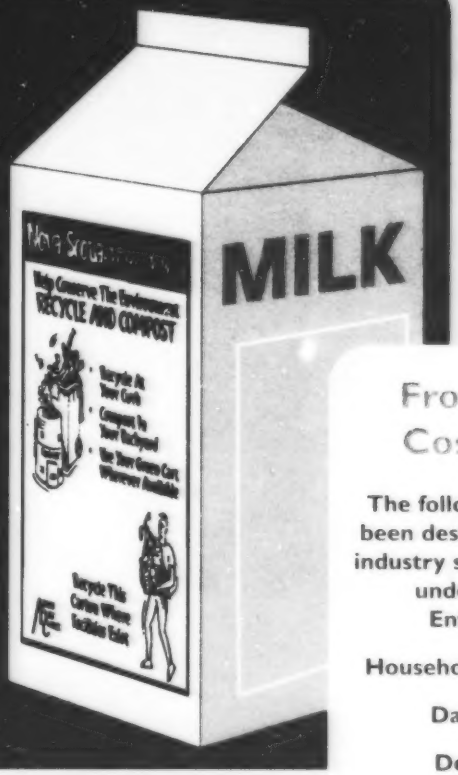
Here's what we have accomplished:

- Hired independent consultants to carry on negotiations with the newsprint and quick service food packaging industries.
- Addressed the issue of derelict vehicles by meeting with industry and government. We received support from industry for a public education program. Our recycling hot-line points callers in the right direction.
- Held a Household Hazardous Waste Workshop in Halifax that drew industry representatives from around Atlantic Canada to discuss the proper handling and disposal of these wastes, as well as paint.
- Participated in a review by the Canadian Standards Association International to develop a formal definition of household hazardous waste.

Partnerships

Moooving Along

It was a year of firsts. In particular, a new one-of-a-kind agreement was signed by the Nova Scotia Department of Environment, the dairy industry and local municipalities that will result in more milk cartons being recycled in the near future. Next year the Atlantic Dairy Council, representing the province's four dairies, will provide funds to Nova Scotia's solid waste management regions based on the number of milk cartons collected through municipal blue/clear-bag recycling programs. The program will also continue displaying promotional messages encouraging recycling, composting and anti-littering displayed on the side of milk cartons.



From Cows to Cosmopolitan

The following materials have been designated for voluntary industry stewardship programs under the provincial Environment Act:

Household Hazardous Waste

Dairy Containers

Derelict Vehicles

Office Paper

Old Magazines

Shopping for Environmental Info

In fiscal 2000, we partnered with a major grocery chain to develop shelf signage promoting our website, hot-line, and disposal bans. The new signs were placed in their stores across Nova Scotia. This is an excellent example of industry stewardship.

RRFB
Sobeys
HOME & GARDEN WASTE MANAGEMENT PRODUCTS
Nova Scotia is a world leader in recycling and composting. Our waste diversion programs have created hundreds of jobs while protecting the natural beauty of our province. We should all be proud of our success in reducing waste.
MATERIALS BANNED FROM DISPOSAL
WHAT DOES THIS MEAN FOR NOVA SCOTIANS?
Less waste means fewer and safer disposal sites, a cleaner environment and a stronger economy. Nova Scotia has entered the 21st century with a strong foundation upon which to build an even better place to work, live and play.

Credit Ratings

Each year we present the 55 municipalities of Nova Scotia with what we call diversion credit funding. It's a simple concept: the more waste a municipality diverts, the more money it receives.

Funding for this program comes from our annual net revenues. Since we first opened our doors in 1996, more than $22.1 million has been given back to the municipalities of Nova Scotia through diversion credits and other RRFB programs.

Credit
(kred′ it) n.

Recognition of a job well done, like an innovative program to promote sustainable initiatives that protect and enhance the environment.

Representatives of seven regions receiving diversion credit cheques.

Municipalities can take part in a number of waste-management programs.

These include:

- Waste-diversion programs, including source-reduction, reuse, recycling and composting.
- Household hazardous waste.
- Waste-management education.
- Adopt-A-Highway.

This year a total of 53 applications for funding were received and $1.4 million in funding was approved for 44 projects that created 56 jobs.

Take a look:

- 40 municipal projects, totaling $1.1 million, were given the green light. These involved compost containers, facilities and equipment, household hazardous waste collection and the Adopt-A-Highway program.
- $300,000 was shared equally among the four municipally owned Materials Recovery Facilities (MRF).
- 18,000 litres of paint traded hands at paint swaps held throughout the province.

Wise Words

Education
(ej oo ka´ shen) n.

Enhancing knowledge, awareness and understanding of environmental issues and solutions.

We're not just in the business of helping the environment: we're in the business of educating people about the environment—and what they can do to lend a hand.

With the help of our education partners, we supported a wide array of education and awareness programs.

That's just the beginning. This fiscal year we worked hard to raise the profile of both the Solid Waste-Resource Management Strategy and our mandates. Some of the highlights are:

- Visited schools, took part in major events and met with industry representatives. In total, our regional education contractors made 1,200 school presentations, attended nearly 260 events and visited 100 industrial, commercial and institutional organizations.

Grade 5 & 6 students at Halifax Christian Academy with their teacher, Janet-Lynn Y...

- Sponsored a variety of environmental and municipal conferences.

- Sponsored BioNova 1999 Connaught Student Biotechnology Exhibition Awards that recognized some of the brightest young minds in the environmental field.

- Partnered with the Tourism Industry Association of Nova Scotia and the province of Nova Scotia for an anti-litter and illegal dumping television ad campaign.

- Operated a provincial recycling hot-line.

- Created advertising campaigns to promote reducing, reusing, recycling and composting awareness.

And the Award Goes to...

In recognition of the environmental achievements of outstanding, innovative and progressive Nova Scotians, the RRFB was proud to present these awards in fiscal 2000.

The RRFB Solid Waste-Resource Award recipients for fiscal 2000

Industrial, Commercial & Institutional
Delta Halifax

Entrepreneur of the Year
Tom MacMillan, Northeastern Resource Recovery Limited

Waste-Management Education
Denise Young, Valley Waste-Resource Management Authority

Individual Excellence in Waste Management
Brian VanRooyen, Valley Waste-Resource Management Authority

Enviro-Depot of the Year
Beehive Adult Services Centre

Highest Diversion Rate
Halifax Regional Municipality

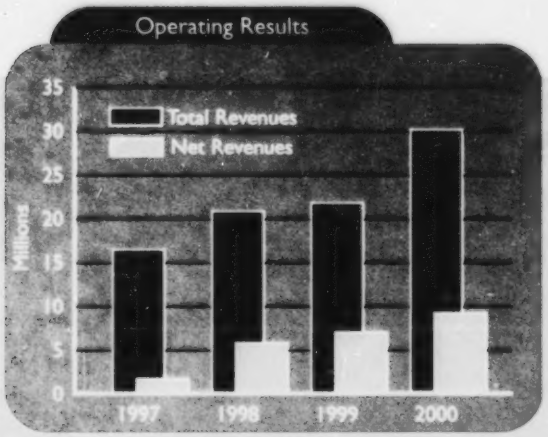
Registered Tire Retailer of the Year
Wilson Equipment Ltd.

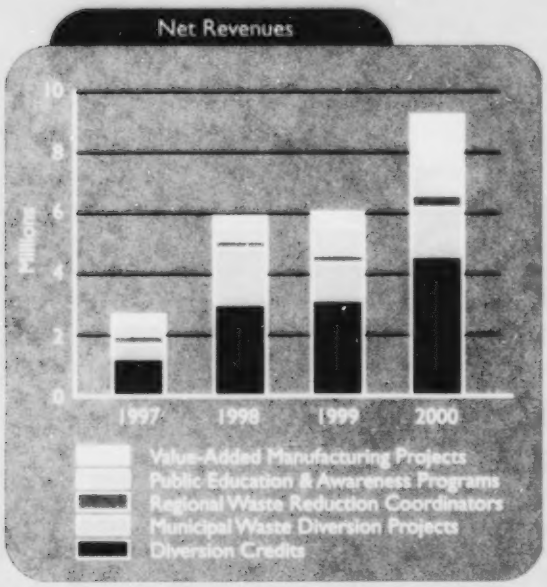
The Future

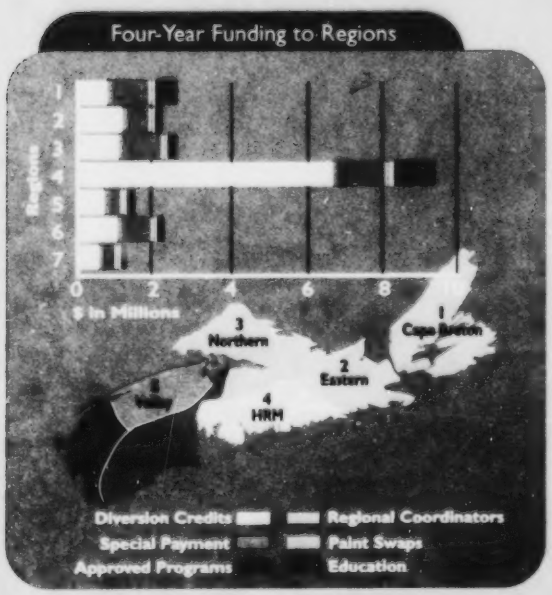
In the upcoming year, as we achieve our goal of 50% waste diversion, Nova Scotians will continue to be environmental leaders. It is encouraging to see that this goal has already been achieved by a number of municipalities.

We will work diligently with other municipalities to help them reach and surpass the goal. Through our many partnerships, we will remain steadfast in the fulfillment of our mandates and the creation of economic opportunities for the people of Nova Scotia.

The Resource Recovery Fund Board is anticipating a bright and clean environmental future for Nova Scotia. Together, as we move forward into a new millennium, the Resource Recovery Fund Board will continue to *help Nova Scotians help the environment* through programs that provide assistance to municipalities and our private sector partners.







Auditors' Report

To the Board of Directors of
Resource Recovery Fund Board Inc.

We have audited the statement of financial position of Resource Recovery Fund Board Inc. as at March 31, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2000 and the results of its operations, changes in net assets and changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Truro, Nova Scotia
May 5, 2000

Grant Thornton LLP

Chartered Accountants

Statement of Financial Position

March 31	2000	1999
Assets		
Current		
Cash and cash equivalents	$ 11,706,143	$ 9,005,783
Receivables	2,474,947	2,480,987
Accrued interest receivable	107,234	35,006
Inventory	101,116	104,603
Prepaids	—	2,033
	14,389,440	11,628,412
Investment in an affiliated company (Note 3)	304,186	254,022
Property and equipment (Note 4)	725,094	612,814
Organizational costs, net of accumulated amortization	172,044	302,764
	$ 15,590,764	$12,798,012
Liabilities		
Current		
Payables and accruals	$ 2,294,235	$ 2,994,794
Municipal solid waste diversion credits payable	4,650,389	3,159,946
Unearned revenue	3,175,500	2,695,500
	10,120,124	8,850,240
Net Assets		
Invested in capital assets	897,138	915,578
Invested in value-added manufacturing	304,186	254,022
Restricted for future projects	856,107	835,107
Restricted for approved programs	3,413,209	1,943,065
	5,470,640	3,947,772
	$ 15,590,764	$12,798,012

Commitment (Note 7)

On behalf of the Board

Darrell Hiltz, Chair

Ernie Bolivar, Director

See accompanying notes to the financial statements.

Statement of Operations

Year Ended March 31	2000	1999
Revenues		
Deposits		
Gross revenues from deposits	$27,220,278	$ 19,062,106
Less: Harmonized sales tax	(3,613,080)	(2,572,475)
	23,607,198	16,489,631
Sale of recyclable materials	3,181,876	2,334,432
Stewardship	8,139	7,400
Tire program	2,947,357	2,688,440
Total revenues	29,744,570	21,519,903
Cost of Sales		
Inventory, beginning of year	104,603	70,183
Deposit refunds	9,639,581	6,618,787
Enviro-Depot® handling fees	5,805,185	3,811,052
Local cartage	898,637	987,063
Regional processing	936,533	943,297
Freight in	65,752	33,145
Central processing expenses	405,552	378,853
Non-deposit materials	44,189	60,051
Used tires	1,758,018	1,759,540
Paint program	151,000	92,000
	19,809,050	14,753,971
Less inventory, end of year	101,116	104,603
	19,707,934	14,649,368
Gross margin	10,036,636	6,870,535
Administrative expenses	1,202,021	1,176,249
Operating Income	8,834,615	5,694,286
Equity in net earnings (loss) of an affiliated company	71,164	(27,378)
Interest and other income	447,113	400,511
Excess of revenues over expenses	$ 9,352,892	$ 6,067,419

See accompanying notes to the financial statements.

Statement of Changes in Net Assets

Year Ended March 31

Net Assets	Invested in Capital Assets	Invested in Value-added Manufacturing	Restricted for Future Projects
Balance, beginning of year	$ 915,578	$ 254,022	$ 835,107
Excess of revenues over expenses	(339,342)	71,164	—
Investment in capital assets	320,902	—	—
	897,138	325,186	835,107
Internally imposed restrictions	—	—	—
Investment in value-added manufacturing (Note 6c)	—	(21,000)	21,000
Payments during the year			
Education and awareness	—	—	—
Regional coordinators	—	—	—
Approved programs	—	—	—
Allocation to Municipal solid waste diversion Payable	—	—	—
Balance, end of year	$ 897,138	$ 304,186	$ 856,107

See accompanying notes to the financial statements.

Statement of Cash Flows

Year Ended March 31	2000	1999
Increase (decrease) in cash and cash equivalents:		
Operating		
Excess of revenues over expenses	$ 9,352,892	$ 6,067,419
Equity in net (earnings) loss of affiliated company	(71,164)	27,378
Depreciation and amortization	332,706	365,796
Loss on sale of property and equipment	6,636	34,194
	9,621,070	6,494,787
Change in non-cash operating working capital		
Receivables	(66,188)	(527,880)
Inventory	3,487	(34,420)
Prepaids	2,033	4,643
Payables and accruals	789,884	1,561,119
Unearned revenue	480,000	660,200
	10,830,286	8,158,449
Investing		
Proceeds on sale of property and equipment	1,750	234,000
Purchase of property and equipment	(322,652)	(409,504)
Investment—value-added manufacturing	21,000	(281,400)
	(299,902)	(456,904)
Allocation of net assets to:		
Municipal solid waste diversion	(4,650,084)	(3,159,641)
Approved programs	(3,179,940)	(3,672,284)
	(7,830,024)	(6,831,925)
Net increase in cash and cash equivalents	2,700,360	869,620
Cash and cash equivalents, beginning of year	9,005,783	8,136,163
Cash and cash equivalents, end of year	$ 11,706,143	$ 9,005,783

See accompanying notes to the financial statements.

		2000	1999
Restricted for Approved Programs	Net Revenues	Total	Total
$ 1,943,065	$ —	$ 3,947,772	$ 4,712,278
—	9,621,070	9,352,892	6,067,419
—	(320,902)	—	—
1,943,065	9,300,168	13,300,664	10,779,697
4,650,084	(4,650,084)	—	—
—	—	—	—
(1,062,889)	—	(1,062,889)	(1,093,284)
(210,000)	—	(210,000)	(210,000)
(1,907,051)	—	(1,907,051)	(2,369,000)
—	(4,650,084)	(4,650,084)	(3,159,641)
$ 3,413,209	$ —	$ 5,470,640	$ 3,947,772

Notes to the Financial Statements *March 31, 2000*

1. Nature of operations

The Resource Recovery Fund Board Inc. is a not-for-profit company established by the Nova Scotia government to manage a substantial portion of the Province's Solid Waste-Resource Management Regulations.

2. Summary of significant accounting policies

Depreciation
Rates and bases of depreciation applied to write-off the cost of property and equipment over their estimated lives are as follows:

Field equipment	20%, straight-line
Office and warehouse equipment	20%, straight-line
Computer hardware and software	33 1/3%, straight-line
Containers	33 1/3%, straight-line
Vehicles	33 1/3%, straight-line

Inventory
Inventory is valued at the lower of cost and net realizable value.

Unearned revenue
Unearned revenue represents deposits received from distributors for beverage containers that have not been returned for redemption. Unearned revenue consists of deposits received in the last sixty (60) days adjusted by the current year return rate.

Organizational costs
Organizational costs for new programs are amortized on a straight-line basis over five years.

Income taxes
The company is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

Revenue recognition
Resource Recovery Fund Board Inc. follows the deferral method of accounting for revenue.

Investment in affiliated company
The company accounts for its investment in affiliated company using the equity method.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks and short-term investments with maturity dates of 90 days or less. Bank borrowings are considered to be financing activities.

Financial instruments
Financial instruments include cash and cash equivalents, accounts receivable, accrued interest receivable, investment in an affiliated company, payables and accruals and municipal solid waste diversion credits payable. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair market value of these financial instruments approximate their carrying values.

3. Investment in affiliated company

Resource Recovery Fund Board Inc. has a 51% ownership in Novapet Inc., a company that processes polyethylene terephthalate (PET) plastic beverage bottles into a flake for resale. Novapet Inc. has not been consolidated in the Resource Recovery Fund Board Inc.'s financial statements. Financial summaries of Novapet Inc. as at March 31, 2000 are as follows:

Financial Position	
Total assets	$ 903,523
Total liabilities	$ 474,157
Shareholders' equity	429,366
	$ 903,523
Results of Operations	
Total revenues	$ 2,708,686
Total costs of goods sold and expenses	2,569,149
Net earnings	$ 139,537
Cash Flows	
Cash from operations	$ 92,808
Cash used in financing activities	(58,402)
Cash used in investing activities	(23,608)
Increase in cash and cash equivalents	$ 10,798

4. Property and equipment

	Cost	Accumulated Depreciation	2000 Net Book Value	1999 Net Book Value
Field equipment	$ 169,508	$ 79,596	$ 89,912	$ 48,204
Office and warehouse equipment	93,310	55,436	37,874	52,067
Leasehold improvements	9,960	1,244	8,716	-
Containers	763,626	327,934	435,692	273,104
Computer hardware and software	358,802	236,058	122,744	184,669
Vehicles	73,842	43,686	30,156	54,770
	$ 1,469,048	$ 743,954	$ 725,094	$ 612,814

5. Bank indebtedness

The company has an operating line of credit of $2,500,000, all of which is unused at March 31, 2000.

6. Related party transactions

During the year, the company had the following transactions with an affiliated company:

a) Sold polyethylene terephthalate (PET) plastic beverage bottles in the amount of $580,196 (1999 - $619,507) to Novapet Inc. Included in trade accounts receivable is $77,137 (1999 - $39,330) owing from Novapet Inc. relating to these sales.

b) During the year, the company recorded dividends in the amount of $15,285 (1999 - $9,800) from Novapet Inc., and these have been accounted for as interest and other income. The total amount of these dividends is included in accrued interest receivable.

c) During the year, Novapet Inc. redeemed $21,000 of preferred shares owned by the Resource Recovery Fund Board Inc.

7. Commitments

The company has entered into agreements to lease office space and a warehouse. Minimum rent payable for the next five years on these leases are as follows:

2001	$ 65,240
2002	$ 71,088
2003	$ 71,088
2004	$ 71,088
2005	$ 71,088

8. Comparative figures

Certain of the 1999 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2000.

Corporate Directory

Directors and Officers

Back row (from left): Derek Firth, Dan Wurster, Bryan Smith, Heather Robichaud, Adrian White, Gerard MacLellan. Front row: Dwight Whynot, Darrell Hiltz, Ernie Bolivar

Code of Conduct Compliance

The Resource Recovery Fund Board Inc.'s (RRFB) Board of Directors and management have reviewed the company's Code of Conduct and are satisfied that the Board of Directors' approach to corporate conduct is consistent with the Code.

Board of Directors

Darrell Hiltz
Chair and Member of the Executive Committee

Ernie Bolivàr
Mayor, Town of Bridgewater
Member of the Executive Committee

Dwight Whynot
Executive Vice-President
Minas Basin Pulp & Power Co. Ltd.
Member of the Executive Committee

Gerard MacLellan
Chair, Solid Waste-Resource Implementation Committee
NS Department of Environment
Member of the Executive Committee

L. G. (Les) Stewart
Vice-President
Canadian Petroleum Products Institute

Mike Blanchard
President
Blanchard's Grocery Stores

Mike Queripel
NS Department of Finance
Business Policy Analysis

Dan Wurster
Senior Occupational Hygienist
Jacques Whitford

Bryan Smith
Chair, Western Region
Accountant, Saxton Comeau

John O'Donnell
President & CEO
Copol International

Officers

Adrian White, P.Eng.
Chief Operating Officer

Derek Firth, CA
Controller and Corporate Secretary

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RRFB

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